

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services	(2) MEETING DATE 10/16/2012	(3) CONTACT/PHONE Katie Perez, Deputy Director-General Services (805) 781-5200 Lee Collins, Director of Social Services	
(4) SUBJECT Request to approve a Lease with Potratz Properties, LLC located at 3563 Empleo Street in San Luis Obispo for the Department of Social Services. District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the Lease with Potratz Properties, LLC in the amount of \$234,708 annually and instruct the Chairperson to sign.			
(6) FUNDING SOURCE(S) Federal/State/County Funds	(7) CURRENT YEAR FINANCIAL IMPACT \$142,000	(8) ANNUAL FINANCIAL IMPACT \$234,708	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Vincent Morici			
(18) SUPERVISOR DISTRICT(S) District 3 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Katie Perez, Deputy Director-General Service:
Lee Collins, Director of Social Services

DATE: 10/16/2012

SUBJECT: Request to approve a Lease with Potratz Properties, LLC located at 3563 Empleo Street in San Luis Obispo for the Department of Social Services. District 3.

RECOMMENDATION

It is recommended that the Board approve the Lease with Potratz Properties, LLC in the amount of \$234,708 annually and instruct the Chairperson to sign.

DISCUSSION

The attached lease agreement is for approximately 16,911 square feet of office and warehouse space at 3563 Empleo Street in San Luis Obispo. The proposed lease agreement will replace four existing leased spaces currently occupied by the Department of Social Services (DSS) Team Services unit. The proposed lease space will provide approximately 4,900 more square feet of office and storage space than the currently leased spaces provide. The annual cost of the proposed lease space is approximately \$39,400 more than the combined cost of the currently leased spaces. However, the per square foot cost of the proposed lease space is approximately \$1.16 Gross per square foot, which is a 15% reduction from the current lease of approximately \$1.36 Gross per square foot. Moreover, there are efficiencies to be gained by consolidating staff into one location that is within walking distance to the main DSS office at 3433 S. Higuera in San Luis Obispo.

Team Services provides ongoing and critical services to a department of 421 employees, including:

- Processing, retrieval and delivery of all incoming and outgoing U.S. and interoffice mail to the five main office sites within the County: Nipomo, Arroyo Grande, San Luis Obispo, Atascadero, and Paso Robles.
- Tracking, filing and retrieving closed files for all programs administered by the Department: Child Welfare Services, In-Home Supportive Services, CalFresh, Cal WIN, Medi-Cal and General Assistance.
- Retaining and destroying closed files per record retention instructions from the California Department of Social Services (CDSS).
- Ordering, copying, storing and delivering all forms and packets of forms utilized by DSS staff members within an annual forms and County Reprographics budget of approximately \$25,000.
- Ordering, accepting, storing and delivering all supplies, equipment and furniture utilized by DSS staff members within an annual office furniture and supplies budget of approximately \$400,000.

Over the years, DSS has established four locations from which to perform these services. The four locations are:

1. 2975 McMillan in San Luis Obispo – This location consists of approximately 8,100 square feet of office space, storage and a training room. The site serves as the “home base” for Team Services operations, which consists of one Supervising Administrative Clerk I (SAC1) and seven Administrative Assistants (AA). This location is used for mail processing, storage of current closed files and supply storage. All packets utilized by DSS staff are compiled

at this location for immediate use and storage. The conference room is highly utilized by DSS and other County Departments for training and various meetings.

2. 836 Via Esteban in San Luis Obispo – This location is less than one mile from the 2975 McMillan site and consists of approximately 1,956 square feet of warehouse storage space. The space is used to store excess office furniture, equipment, and supplies and forms pending packet assembly. Also located at this site are closed Adoption files, which need to be kept long-term, and personal belongings of children temporarily removed from their living situation.
3. 1708 Beach Street in San Luis Obispo – This is the site of Sandercock Moving and Storage, which is not exclusively occupied by the County. At this site DSS stores files that must be retained indefinitely and cannot be stored within the limited McMillan space. Case files are retrieved as needed for an additional fee.
4. 3566 S. Higuera Street in San Luis Obispo – This is the site of the Furniture Installation Team (F.I.T.) warehouse. DSS pays a monthly rent for FIT to temporarily store DSS surplus furniture, which will be utilized when future expansion is completed at the 406 Spring Street location in Paso Robles.

The consolidation of the 4 established locations into one centralized location has been an ongoing goal for the past year. Some of the many benefits of accomplishing this goal for Team Services include increased staff efficiency and productivity, increased records security, and significant cost savings in terms of both mileage and staff time spent traveling between locations. Cost savings in terms of both mileage (approximate savings of 125 miles per week) and staff time (approximate savings of 8 hours per week) total approximately \$17,500 annually.

The additional space will allow for 4 new visitation rooms for the Child Welfare Services staff to conduct supervised family visitation, a known benefit to building and rebuilding family relationships.

The remaining space will be used by DSS IT staff. This will make room at the main office for the anticipated new hires to implement Healthy Families in 2013 and the Affordable Care Act in 2014.

The proximity of this location to the DSS main office at 3433 S. Higuera Street is approximately one block. The location provides more parking than is currently available with 39 onsite parking spaces for exclusive use by the Department of Social Services.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the Lease as to form and legal effect.

FINANCIAL CONSIDERATIONS

This Lease will serve to consolidate four (4) existing leases into one (1) as follows:

Existing Leased Facilities

Facility	Rent	Sq.Ft.	\$/Sq.Ft	
McMillan Center	\$ 11,338.37	8,100	\$ 1.40	
Via Esteban	\$ 1,539.72	1,956	\$ 0.79	
Sandercock	\$ 2,000.00	1,544	\$ 1.30	
F.I.T.	\$ 1,400.00	400	\$ 3.50	
Total	\$ 16,278.09	12,000	\$ 1.36	*
*average cost per square foot				

Proposed Lease Facilities

Facility		Rent	Sq.Ft.	\$/Sq.Ft	
3563 Empleo		\$ 18,145.00	15,121	\$ 1.20	
3563 Empleo-Storage		\$ 1,414.00	1,790	\$ 0.79	
Total		\$ 19,559.00	16,911	\$ 1.16	*
*average cost per square foot					

The proposed leased space is 4,911 square feet more than the combined total of the existing leased spaces. The total monthly rent increase for the first year is approximately \$3,281 per month or \$39,372 annually.

Moving costs are estimated at \$43,000. The moving will be done by the Furniture Installation Team (F.I.T.). The moving costs include \$3,210 for design; \$11,490 for new storage racks; \$4,940 for rack installation; \$8,512 for the inventory move from the F.I.T. warehouse and Via Esteban locations; \$14,848 for the move from McMillan Center.

Other costs associated with this lease include data cabling costs of approximately \$60,000.

The total cost is approximately \$142,000 for this fiscal year, including the additional one-time costs associated with moving and cabling. These costs can be accommodated within the existing DSS adopted budget for Fiscal Year 2012-13 and will require no additional General Fund contribution. Due to an average of 11 vacancies since the beginning of the fiscal year, DSS has had a year-to-date salary savings through September of approximately \$273,000. This savings will more than offset these additional costs. For future fiscal years, the rent cost will be included as part of the budget process and cost allocation plan.

RESULTS

Approval of the Lease will allow the Department of Social Services to consolidate four (4) existing leases into one (1) and establish a single location that Team Services will utilize to provide fast, efficient, timely and economical service to the Department of Social Services regional locations throughout the County of San Luis Obispo. This action contributes to the community-wide goal of a "Healthy Community" by providing space to support the provision of access to basic necessities.

ATTACHMENTS

1. Location Map
2. Lease Agreement with Lease with Potratz Properties, LLC

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